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September 14, 2006

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FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: eCAPS Project Status Report – September 2006

These project status reports are to keep your Board apprised of progress in meeting deliverables and identifying issues that may affect successfully implementing this enterprise application (eCAPS Project). This status report addresses monitoring of the July 2005 Phase I implementation, completing post-implementation Phase I activities, and the planning and implementing the Phase II expansion Subprojects. The Chief Information Office (CIO) is providing project oversight and quality assurance during both phases of the project.

Since the last report, the eCAPS Project has concluded the first full year of financial operation of eCAPS system, completed the annual close of the financial records for FY 2005-06, updated the eCAPS budget control with the FY 2006-07 Adopted Budget, implemented the Time Collection (DHS) pilot at Rancho Los Amigos Rehabilitation Center, and completed the design subprojects for Human Resources and replacement of DPW's Financial Accounting System (FAS). The current focus of the eCAPS Project is to:

- Implement the Capital Asset module in November 2006;
- Expand the use of the Budget Preparation module to departments for their use in preparing the FY 2007-08 Proposed Budget;
- Implement the Time Collection functionality at other DHS facilities;
- Upgrade the eCAPS financial and Time Collection applications to the latest version 3.6;
- Develop proposals for review and consideration of implementing the CGI Advantage Human Resources modules designed as part of Phase II;
- Continue developing the Procurement and Inventory applications; and

- Complete the design phase for a Grant Management module.

Project Status

Project On Schedule:	The Time Collection Subproject was delayed, but implemented in June 2006; the Materials Management Subproject is on schedule for Capital Assets, but has a revised implementation plan for completing the Procurement and Inventory implementation; Budget Preparation is on schedule, the design phase for the Human Resources Management and Legacy System Replacement Subprojects is completed and implementation plans are being developed.
Project Within Budget:	Yes
Issues Requiring Attention:	Phase I and Budget Preparation reports; incorporating DHS Procurement and Inventory requirements
CIO Oversight Concerns:	Yes. See Page 10.

Phase I - Project Accomplishments This Period

The eCAPS Project has concluded the first full year of operation using the new eCAPS application and the Auditor-Controller has successfully conducted the annual book closing. The application is functioning well and the nightly cycle of processing documents is stable; processing approximately one million documents per month. The Auditor-Controller, ISD and CGI staffs continue to explore alternatives to improve County operations and assist departments in meeting their business needs through use of the eCAPS application. An on-going activity will be to improve the eCAPS reporting capabilities to extract information from eCAPS and to provide better information for managing County operations. Such post-implementation actions are normal activities when implementing a large enterprise application like eCAPS.

Project accomplishments since the last status report include:

- Concluded the first full year of operation in the new financial applications;
- Completed the annual close process for FY 2005 -06 in the new application;
- Updated the eCAPS financial application with the adopted FY 2006 -07 budgets and chart of accounts updates;
- Automated the warrant reconciliation process to streamline business processes;

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- Began implementing the eCAPS financial and Time Collection application upgrade to version 3.6;
- Implemented reporting improvements to provide additional COGNOS functionality, and more reporting options, and
- Implemented additional reporting and query capabilities to support annual book closing activities.

Planned Activities for Next Reporting Period

The eCAPS Project Team's focus for the next period for Phase I activities is to:

- Implement the redesigned COGNOS report model to improve report access and performance;
- Continue to implement additional eCAPS reports to address department specific reporting requirements;
- Continue converting the reports to the new COGNOS report model;
- Complete the upgrade of the application to version 3.6;
- Explore options to shorten the nightly processing times in preparation for implementing the procurement module and future replacement of DPW's FAS financial application;
- Support developing the FY 2005–06 County Comprehensive Annual Financial Report (CAFR) process; and
- Complete the final review for closure of Phase I activities and full transition to on-going operations.

Phase I - Project Issues and Corrective Actions - Reports

The availability and accuracy of reports has improved significantly in the last several months, but the activities related to supporting department activities for the annual book closing of FY 2005 – 06 slowed progress in other reporting areas. Progress was made in providing more on-demand reporting and implementing additional analytical capabilities using the COGNOS cube functionality. However, there continue to be areas for improvement, including:

- Providing on a regular basis reports based on the other departmental elements of the chart of accounts, such as department object, department revenue source, function codes (Performance Counts!), etc.;
- Expanding COGNOS analytic capabilities to all departments (these have been implemented within the CAO and the Auditor-Controller Accounting Division);
- Providing additional drill-down capabilities (from a summary amount to the detailed transactional level) that are now available in the expenditure reports to other reports when the new reporting model is implemented; and

- Providing additional capabilities for departments to extract information from the application for further analysis.

The approach to reporting has been significantly reworked to incorporate a revised report model which will improve report performance, ease the process of maintaining the data warehouse, and allow additional reports to more easily be created. The full revision of the new report model has been developed, but not fully implemented. This activity will be the reporting group's main focus. Report development for all future Phase II eCAPS modules will be based on this revised reporting model.

Also, the eCAPS Team is working with the CIO to explore the acquisition of software for archiving historical and scheduled reports. This will provide for a more efficient method of accessing prior month reports and reduce the activity on the COGNOS report servers. The approach will improve department's access to on-demand and ad-hoc reporting capabilities.

Other Issues

Departments have identified operational issues or concerns related to eCAPS reporting and procedures. Earlier this year, the eCAPS Team held over 22 meetings with departments to provide information on existing eCAPS functionality, to answer operational questions, and to gather information on other department issues and concerns. The eCAPS Project Team is working with the Auditor-Controller's Systems Division to address those issues and concerns related to the on-going application. Many of the department concerns involve improving their ability to extract information efficiently to support departments' business operations and are linked to completing the planned improvements in reporting.

Additional training and information sessions were provided to support departments in annual book closing activities. As specific issues are identified affecting department operations, the Auditor-Controller divisions will meet with department staff to determine how to best address the matter. Fixes or improvements that are implemented are communicated to all departments via email, through monthly department liaison meetings and posted on the eCAPS website.

Phase II – Accomplishments and Planned Activities for the Next Period

On April 19, 2005, the Board of Supervisors approved an Amendment No. 1 to the eCAPS Agreement with CGI for five Subprojects to the eCAPS Project:

- Budget Preparation – Budget Preparation went live in January 2006 for the CAO's preparation of the FY 2006–07 Proposed Budget and is being expanded to 22 additional departments in October 2006;

- Time Collection – The pilot went live in June 2006 at Rancho Los Amigos National Rehabilitation Center (Rancho) and is being expanded to all DHS facilities;
- Materials Management (Procurement, Inventory, and Capital Assets) – Capital Assets is scheduled for implementation in November 2006 and Procurement and Inventory are in the development phase;
- Human Resources Design – Completed design and preparing implementation alternatives for review and approval;
- Legacy System Analysis – Completed design and preparing implementation alternatives for the replacement of DPW's FAS financial application for review and approval.

Budget Preparation (BP)

The BP module was implemented on January 16, 2006 and was used by the CAO in preparing the Proposed Budget for FY 2006-07. The eCAPS Project Team provided operational support to the CAO staff during the implementation process. The process for this first year began at the point of submission of department budget requests to the CAO. Departments prepared their requests on Excel spreadsheets, which after being reviewed by CAO analysts, were loaded into the eCAPS BP module. Any adjustments and recommendations to department requests were entered into the BP application. For the FY 2007-08 Proposed Budget, 22 departments will enter their information directly into the BP module allowing the CAO to use this information without reentry. The remaining departments will continue to prepare their requests on Excel spreadsheets for review by CAO analysts. Next year the remaining departments will be trained to enter their information directly into the BP module.

The FY 2006-07 Proposed Budget Books were prepared using the new application in parallel with the legacy application. For the FY 2006-07 Proposed Budget, only the Capital Budget Book was published directly from the new application. The Final Budget Book will also be published using the new application. All four budget books used to report the FY 2007-08 Budget will be developed and published from the new application.

Budget Reports

The eCAPS Project Team in conjunction with staff from the CAO and Auditor-Controller completed developing COGNOS budget reports to support the CAO's preparation of the FY 2006-07 budgets. Currently, the CAO is revising some of these reports to support the departments' use of the BP module for preparation of the FY 2007-08 budgets.

In addition, the CAO is exploring alternative methods and reporting approaches to provide departments expanded capability to extract information from the BP module. These methods are based on the lessons learned in Phase I.

Time Collection (TC)

The TC Subproject piloted the TC module at Rancho Los Amigos National Rehabilitation Center (Rancho) in June 2006. Approximately 1,300 staff have been entering their timecard information into both CWTAPPS and the new eCAPS Time Collection module for training, testing and validation purposes.

This has been a successful pilot, resulting in improving the training materials, clarifying DHS business procedures, and adding some modifications to improve the accuracy of the timecard information entered by staff. The eCAPS Project Team has validated the accuracy of the application, and the information passed to CWTAPPS. Several areas have been identified for improvement that will assist payroll clerks and timekeepers in assuring the accuracy of the employees' timecard information.

The pilot is scheduled to be completed on October 1, 2006, when Rancho staff will enter their timecard information only into the eCAPS module. The time collection functionality will then be expanded to the other DHS facilities by August 2007.

The eCAPS Project Team is:

- Conducting additional training sessions for Rancho staff in preparing for the full use of the new application on October 1, 2006;
- Revising the training material based on improvements identified from the pilot sessions;
- Beginning training at additional DHS facilities;
- Assisting in the testing of the eCAPS upgrade of the TC module to version 3.6 in mid-September; and
- Providing on-going support to the users of the implemented module.

Rollout to Other County Departments

The eCAPS Advisory Committee is exploring alternatives to expand the Time Collection functionality to other County departments. This would provide for:

- Standardizing approaches to collecting timecard information countywide;
- Accessing timecards on-line for easier input;
- Expanding chart of accounts information collected on the timecard to enhance the County's ability for cost accounting and billing functionality;
- Automating workflow and approvals to decrease time for review and approval of timecards each pay period; and
- Laying the foundation for future implementation of the full Human Resources modules in a future phase of the eCAPS Project.

The alternative being explored utilizes the functionality developed for the DHS facilities with support from a continuing County eCAPS Project Team. As departments are considered for implementation, the user department would provide staff for training and conversion purposes to supplement the eCAPS Project Team. The department's need for additional support from CGI would be reviewed on a case by case basis. If vendor support is needed, a contract Change Notice would be submitted for eCAPS Advisory Committee review and approval, prior to proceeding.

Materials Management (MM)

The MM Subproject covers three modules: Procurement/Vendor Self-service, Inventory and Capital Assets. The Implementation Analysis Documents have been completed for all three modules and a proposed set of software modifications approved by the eCAPS Advisory Committee. Additional modifications may be necessary to meet departmental business needs.

Capital Assets

The eCAPS Project Team is on schedule to implement the Capital Assets module in November 2006. The module will be implemented based on the financial and capital asset information at the end of FY 2005–06. Capital asset values will be based on the FY 2005–06 annual book closing completed in August 2006. The new module will incorporate infrastructure information currently being developed to meet GASB reporting requirements and supplied to the eCAPS application as it is updated. In addition, the eCAPS module will have the capability to track portable equipment as required. Departments will have the option of utilizing the eCAPS module for this purpose or providing a business justification for continuing to use their current method of tracking portables.

Procurement and Inventory

The Procurement Team is in the development phase for the central purchasing functions and an approved list of modifications is being developed. The eCAPS Project Team is developing interfaces, preparing the conversion of County data and developing reports. A revised implementation plan has been developed that provides for implementing the central procurement functions (including ISD department operations) in March 2007, and expanding to other County departments to include the department's delegated purchasing authority in March 2008.

The eCAPS Project Team is currently working with DHS to address the department's specific business requirements for replacing their legacy procurement and inventory application (HMMS), and to determine whether any additional modifications are necessary to cover the department's delegated purchasing authority.

The Inventory module requires implementing the Procurement module to function properly. The Inventory Team has completed the Implementation Analysis Document for design of the module implementation. CGI is currently developing software modifications approved by the eCAPS Advisory Committee in April 2006. Because the Procurement module must be implemented in a department prior to implementing the inventory module, the first implementation of the inventory module will be at DPW in July 2008.

HR Design

The HR Design Subproject reviewed the County's business requirements in all seven functional areas (HR administration, Benefit Administration, Time and Attendance, Payroll, Compensation, Recruitment and Employee Self-service), and developed both a Fit-gap analysis and an Implementation Analysis Document for all the modules. The HR Team has:

- Identified 153 modifications to the Advantage software and interfaces necessary to meet the County's business requirements for all modules;
- Proposed changes to County business processes to minimize the software modifications and to benefit from the Advantage software functionality;
- Developed a plan to meet the reporting needs for a human resource implementation that would build on the expertise developed in Phase I and Phase II while allowing for a smooth transition from the current CWPAY and CWTAPPS reporting; and
- Developed an initial training approach to incorporate expanded methods, such as computer-based training (CBT) or web-based sessions to minimize travel time and needed for large training sessions.

The results of the HR subproject showed a good fit of the Advantage product in meeting the County's business requirements:

- 65% of the business requirements are met as requested with no modification required to the Advantage software;
- 27% of the business requirements have an acceptable resolution to the County through interfaces with other applications, changes in County business procedures, reports or work-arounds; and
- 8% require modification to the software to meet the County's needs.

CGI is utilizing the finalized Implementation Analysis Document to develop alternative implementation plans and cost proposals for the County's consideration in deciding whether to move forward with implementing the enterprise human resources applications. Alternatives are being considered that would continue strengthening the methodology used for Phase I and Phase II, while addressing areas identified for improvement, including:

- Allowing for an extended project schedule to enable the substantial completion of the financial applications before reaching the implementation phase for HR;
- Continuing to leverage the County and CGI expertise gathered in Phase II to maintain project momentum;
- Allowing County staff more time to learn the new applications' functionality;
- Building on the improved reporting approaches developed in earlier phases;
- Allowing additional time for report development and user training; and
- Involving more staff earlier in the project to gain a more thorough knowledge of the application at time of implementation.

Implementing the human resources modules will require an extended implementation plan over several years and a joint effort of several County departments during that period.

Legacy System Analysis

The Legacy System Subproject completed its review of the following three areas of analysis:

- **FAS Review** – Reviewed the DPW business requirements in order to incorporate FAS financial application functionality into the eCAPS application. DPW currently interfaces transactions to eCAPS for general ledger, budget control and accounts payable.
- **Interest Allocation** – Reviewed the Auditor-Controller's legacy interest allocation application for incorporation into eCAPS.
- **Consolidated Accounting Financial Report (CAFR)** – Established a process for obtaining information from eCAPS to develop the annual CAFR.

The eCAPS Project Team and CGI are developing implementation plans and cost proposals for replacing the DPW FAS application. Alternatives are being explored to utilize DPW staff based on experience gained in Phase I and Phase II in order to reduce the need for CGI support during implementation.

The Auditor-Controller has reviewed the results of the interest allocation document and has chosen not to pursue implementing the project, at this time. Alternatives utilizing County staff or alternatives that improve the existing interface with the eCAPS module will be considered. The results from the CAFR review are being used in developing this year's CAFR.

The eCAPS Project Team is also completing an Implementation Analysis Document for expanding the functionality of the Grant Accounting module to include tracking grant application information and incorporating this information into the existing financial module upon award. It is anticipated that this document will be completed by October and implementation plans and cost proposals developed for the eCAPS Advisory Committee's review.

Budget / Change Notice

The eCAPS Agreement budget consists of a base contract amount for Phase I of \$13,115,000, Amendment No. I for Phase II of \$32,791,618, and a contingency amount of \$5,200,000, for a total of \$51,106,618. The following table shows the Change Notices approved by the eCAPS Advisory Committee as of August 31, 2006:

eCAPS Contract Change Notices

#	Description	Amount
1	Modifications to Phase I functional areas (General Ledger, Accounts Payable, Accounts Receivable, Cost Accounting)	\$437,625
2	Additional post-implementation support for Phase I and 5 year maintenance for 1099 process software	\$259,875
3	Extension of the key milestone dates for Budget Preparation	\$0
4	Modifications for the Time Collection Subproject	\$467,650
5	Six months technical support to Auditor Systems Division	\$283,500
6	Additional implementation support to DHS Time Collection Subproject	\$330,900
7	Extension of key milestone dates for HR Design	\$0
8	Additional post-implementation support through period for annual book closing for FY 2005-06	\$94,500
9A	Modifications for the Procurement Subproject	\$608,082
9B	Modifications for the Inventory Subproject	\$89,170
9C	Modification for Time Collection printable timesheet	\$34,800
9D	Modifications for Capital Assets Subproject (credit)	(\$120,350)
10	Design of grant accounting functionality to include application tracking capabilities	\$348,880
11	Additional post-implementation Budget Preparation support	\$152,250
12	Additional post-implementation support to Auditor-Controller Systems Division for Phase I and 3.6 upgrade	\$135,000
13	Modifications to the Time Collection module based on pilot implementation results	\$88,740
14	Additional training and implementation support to CAO for budget preparation module rollout to departments	\$177,625
15	Revisions to the Procurement and Inventory schedule	Pending

All changes to the eCAPS Project plan, timetable, and software modifications are reviewed and approved by the eCAPS Advisory Committee. As of August 31st, there have been 14 change notices approved by the committee. The change notices allocated \$3,388,247 of the \$5,200,000 in contingency funds to fund software modifications and additional post-implementation technical support for the Auditor-Controller's Systems Division and CAO for the eCAPS application. There is a fifteenth

change notice pending review by the eCAPS Advisory Committee to address the implementation schedule changes required by the Materials Management subproject.

CIO Oversight Concerns and Recommendations

The CIO completed the eCAPS user survey in May 2006 that had an overall good rating of the eCAPS Phase I implementation. This information was provided to Information Technology Board Deputies under a separate cover. There were areas for improvement identified, in particular, availability of reports and ability for the departments to extract information from the eCAPS application.

Good progress has been made in resolving existing problems with eCAPS Phase I reports and addressing new reporting needs through the use of additional COGNOS functionality for analysis and on-demand reporting.

In concert with the eCAPS Project Team, we identified the following issues that may impact the project:

- **Continuing to improve the use of the eCAPS application and reporting.** Additional training is required on the application and reporting tools to support County operational needs and to ensure end-user satisfaction. There is extensive functionality available to departments that is being underutilized, such as cost or project accounting, contract monitoring, grant monitoring and accounts receivable. Additional training will be provided as time and resources permit to ensure the application functionality is fully leveraged by departments. In addition, the County needs to continue to build expertise in the use and development of the COGNOS Business Intelligence tool to better extract information from the eCAPS Data Warehouse and improve County business processes.
- **Future infrastructure needs.** As the County implements Phase II modules (Materials Management and Time Collection) a review of the nightly cycle process and reporting environments needs to continue in order to ensure continued availability of eCAPS to meet the needs of the new modules.
- **Archiving of records.** Now that the eCAPS application has completed a full year of operation, the process to archive records needs to be planned in order to maintain good performance in the application. The CIO will work with CGI and the Auditor-Controller's System Development staff to plan an approach to these document management requirements.

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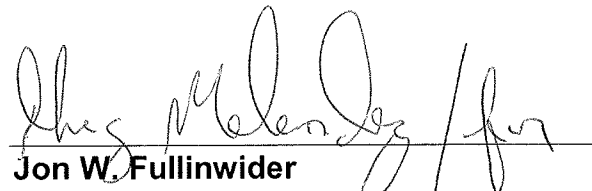
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We will to continue to monitor these issues as well as the overall project, and provide direct assistance wherever possible to ensure that project objectives are met.

JTM:rad

c: Chief Administrative Officer
eCAPS Advisory Committee
Information Systems Commission
County Counsel

Reviewed by:



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